

BEFORE THE  
POSTAL REGULATORY COMMISSION  
WASHINGTON, D.C. 20268-0001

MAIL PROCESSING NETWORK  
RATIONALIZATION SERVICE CHANGES, 2012

DOCKET No. N2012-1

**RESPONSES OF UNITED STATES POSTAL SERVICE WITNESS MARTIN  
TO GREETING CARD ASSOCIATION INTERROGATORIES  
(GCA/USPS-T6-1-6)**

The United States Postal Service hereby provides its response to the above-listed interrogatories of the Greeting Card Association (GCA) dated January 27, 2012. Each interrogatory is stated verbatim and is followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE  
By its attorneys:

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February 10, 2012

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**GCA/USPS-T6-1.** Please refer to page 9, lines 11-23, of your prefiled testimony, and to the first page of Library Reference USPS-N2012-1/11 ("Plant to Plant Transportation Summary").

(a) Was the 24.71 percent reduction reported in both the above-cited locations arrived at by averaging the unrounded percent reductions in the last column of the above-cited spreadsheet? If your answer is not an unqualified "yes," please fully explain how the 24.71 percent was arrived at.

(b) Please explain how, if at all, route miles, annual frequency of trips, utilization, and vehicle capacity entered into the derivation of the 24.71 percent reduction.

[(c)] Please confirm that the 1,723 total trips shown as the total of the second column are identical with the trips listed in the second spreadsheet of Library Reference USPS-N2012-1/11 ("Plant to Plant Trips"). If you do not confirm, please explain fully.

**RESPONSE:**

(a) Yes.

(b) The 24.71 percent reduction figure was derived by dividing the number of trips that could be eliminated through network rationalization by the number of trips that I studied. To determine whether a trip was a candidate for elimination, I identified trips with low utilization and trips that would no longer be necessary due to a facility closure and/or the diversion of mail from surface transportation to air transportation. See USPS-T-6, at 9. Because vehicle capacity is a factor in determining utilization, vehicle capacity was an implicit factor in my analysis. Please see my response to PR/USPS-T6-4(b). Route miles and annual frequency of trips did not play a role in identifying trips for possible elimination.

(c) Confirmed.

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**GCA/USPS-T6-2.** Please refer again to page 9, lines 11-23, of your prefiled testimony, and to the second spreadsheet of Library Reference USPS-N2012-1/11 ("Plant to Plant Trips").

(a) Does each of the HCR ID numbers in the second column represent a single, distinct highway contract transportation contract? If your answer is not an un-qualified "yes," please explain fully

(i) what an HCR ID number does represent, and

(ii) how, if at all, a user of this spreadsheet and/or your testimony and supporting materials as a whole can associate an HCR ID number, and/or a trip or group of trips, with a particular contract.

(b)

(i) If it is possible to associate an HCR ID number, and/or a trip or group of trips, with a particular contract, please explain fully how, if at all, a user of this spreadsheet and/or your testimony and supporting materials as a whole can determine to which of the contract types listed on page 4 of your prefiled testimony, lines 9-17, each such contract belongs.

(ii) If you have workpapers or other preliminary materials which would provide the information described in (b)(i), please provide them.

(c)

(i) If it is not possible to associate an HCR ID number, and/or a trip or group of trips, with a particular contract, please explain fully how, if at all, a user of this spreadsheet and/or your testimony and supporting materials as a whole can associate an HCR ID number, and/or a trip or group of trips, with one of the contract types referred to in (b)(i).

(ii) If you have workpapers or other preliminary materials which would provide the information described in (c)(i), please provide them.

**RESPONSE:**

(a) Yes.

(i) N/A

(ii) N/A

(b) Please see the responses to subparts (i) and (ii) below:

(i) To associate an HCR ID with a specific transportation category referenced in my testimony, the user of the spreadsheet would need to know the designated transportation budget account number

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**RESPONSE TO GCA/USPS-T6-2 (CONT.):**

for the individual route. A budget account number is a financial descriptor used to categorize highway contract route service type and to track cost.

- (ii) I modified the "Plant to Plant Trips" spreadsheet filed under USPS-LR-N2012-1/11 to include a column that identifies the transportation category for each trip that I analyzed. Some of these trips fall into transportation categories that were not mentioned in my testimony. The modified spreadsheet is attached to this response.

- (c) N/A

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**GCA/USPS-T6-3.** Please refer to page 9 of your prefilled testimony at lines 17-19. Does the expression "our current service standards" in line 18 refer exclusively to First-Class Mail standards? If your answer is not an unqualified "yes," please specify all service standards which are referred to.

**RESPONSE:**

Yes.

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**GCA/USPS-T6-4.** Please refer to your prefiled testimony at page 9, lines 19-21, and page 12, lines 21-23.

(a) Please explain fully why the 24.71 percent reduction cited on page 9 is described as a reduction in “plant-to-plant transportation” and the 13.68 percent reduction cited on page 12 as a reduction in “operating miles.”

(b) If the two expressions quoted in (a) are not equivalent, please explain fully how, if at all, they can be made commensurable with one another.

**RESPONSE:**

- (a) The 24.71 percent reduction cited on page 9 represents an estimated reduction in “trips” within the plant-to-plant (i.e., long-haul) network.

Please see my response to NPHMU/USPS-T6-11. Because, the potential for trip elimination is much greater in the plant-to-plant network than in the plant-to-post office network, and because it is easier to conceptualize the plant-to-plant network in terms of the individual trips that comprise that network, I evaluated those trips using the criteria discussed in my testimony. Please see my response to GCA/USPS-T6-1(b). In contrast, the transportation analyses contained in AMP studies focus on the operating miles of impacted routes. Therefore, the 13.68 percent reduction cited on page 12 of my testimony is expressed in terms of a reduction in “operating miles.” Please see my response to NPHMU/USPS-T6-12.

- (b) The two expressions are not equivalent. To convert trips into operating miles, one should multiply the number of miles that a trip takes by the frequency of the trip. For example, if a trip is scheduled to travel ten (10) miles each day and the annual frequency of the trip is three hundred and three (303) days, the number of operating miles for that trip would be three

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**RESPONSE TO GCA/USPS-T6-4 (CONT.):**

thousand and thirty (3030) miles.

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**GCA/USPS-T6-5.** Please refer to Figures 3 and 4, on pages 10 and 11 of your prefiled testimony.

(a) Are these Figures intended to show a change in the number of routes and/or the total route miles, without regard to the number of trips per day (or other period) required over each such route? Please explain fully.

(b) Would it be correct to interpret these Figures to mean that the post-rationalization configuration of routes shown in Figure 4 for plant A and its original five post offices was not also used for the pre-rationalization plant A in Figure 3 *solely* because of trip length or trip time restrictions imposed by current service standards? Please fully explain either an affirmative or a negative answer.

**RESPONSE:**

- (a) Figures 3 and 4 were provided only to illustrate how the number of links between hypothetical plants and Post Offices could be reduced as a result of fewer plants in the rationalized network. No conclusions regarding the number of routes, total route miles, or trips per day in the rationalized network should be drawn from Figures 3 and 4.
- (b) Yes. The current service standards limit the distance, and therefore, the amount of time trips can operate. In the rationalized network, trips may be reconfigured to increase the number of service points or stops for that trip.



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**GCA/USPS-T6-6.** Please refer to your prefiled testimony at page 12, line 23, through the end of page 13.

(a) You state that “[t]he facility-specific AMP process will ultimately determine the reductions that will occur as a result of the respective plant consolidations expected to be implemented.” Should this sentence be interpreted to mean that the reductions will depend, wholly or in part, on how many plant consolidations are implemented, by comparison with the total number of consolidations listed for consideration? Please explain fully.

(b) Would the number of PVS sites ultimately closed (page 13, lines 9-10) depend on the outcome of facility-specific AMP processes, in the same manner as reflected in your response to (a)? Please explain fully.

**RESPONSE:**

(a) Yes. The reductions will depend on how many plant consolidations are implemented. I anticipate that the number of plant consolidations that are implemented will be a subset of the total number of proposed consolidations.

(b) Yes. Please see my response to GCA/USPS-T6-6(a).